

July 5, 2007

FINANCE COMMITTEE REPORT

A Finance Committee meeting was held Thursday, July 5, 2007 at 2:30 p.m. in the County Administration Building, Quorum Court meeting Room, 215 East Central, Bentonville, Arkansas.

Committee Members Present: Harrison, Hobbs, Stephenson, Summers, Moore, Wozniak

Others Present: County Judge Gary Black, Treasurer Deanna Ratcliffe, Assessor Bill Moutray, Collector Greg Hoggatt, Sheriff Keith Ferguson, Coroner Kimberly Scott, JPs Brown, Glass, Hubbard, Captain Hunter Petray, Captain Mike Sydoriak, Richard McComas, Michele Anderson, John Brown, Jim McCarthy, Russ O'Dell, Mary Kay Sullivan, Barb Ludwig, Ashley Pope

Media: Scarlet Simms – Morning News; Jennifer Turner – Benton County Daily Record

JP Tim Summers called the meeting to order at 2:30 p.m.

PUBLIC COMMENTS:

Don Day urged the committee to consider reducing staff in the Planning Department instead of increasing permit fees.

1. Grants Administrator Report

There were no questions or comments concerning the Grants Administrator Report.

2. Appropriation Request – Juvenile Court Grant

Michele Anderson stated that the Juvenile Court has received a Court Reporting Grant in the amount of \$5,800, and they will need to appropriate the money in the 2007 Budget Adjustment Ordinance. JP Wozniak made motion to forward the request to the July 10, 2007 Committee of 13 meeting, second by JP Stephenson. Motion passed by unanimous show of hands vote.

3. Coroner: Fuel and Call Number Report

JP Summers noted that fuel usage in the department increased significantly in October of 2006. Coroner Kimberly Scott stated that the Chief Deputy Coroner who has taken over her duties drives the Coroner's van home to Gravette, which has resulted in an increase in fuel usage. JP Summers asked if the Chief Deputy is receiving a salary. Kimberly Scott stated that he is paid per call, and is not paid for some of the calls that she would normally be attending.

4. Election Commission Space – Travis Harp

Travis Harp stated that they have located a suitable space for the Election Commission at 102 Executive Drive, which is just off SE 21st Street. He said there is plenty of parking, an area suitable for loading and unloading equipment, and it will provide climate-controlled storage for the electronic voting machines. He said it is 4,300 square feet, and they are considering a 2-year lease with option at \$13 per square foot, with all utilities paid. He said they would like approval to lease the space, and then they will try to negotiate a better price.

JP Moore made motion to accept the proposal to lease the Executive Drive office space, seconded by JP Wozniak.

JP Stephenson asked what the monthly cost would be. Travis Harp stated that it would be approximately \$45,000 to \$50,000 per year. JP Summers asked if the different entities holding elections could be charged for a portion of the rent. Election Coordinator Jim McCarthy stated that they are only allowed to bill for actual election costs, which does not include the cost of the building. JP Glass asked if there might be less expensive options available further away from Bentonville, and how far away the Election Commission was legally allowed to move. Jim McCarthy stated that there is no legal restriction in the distance that is allowed from the County Clerk's office. Travis Harp stated that they have been working with a Realtor, and there is no space available in the downtown area. JP Glass stated that there are office buildings in Vaughn on the way to the airport which have been empty since they were built, so they should be available for a very low price. He also noted that there is a building on the corner of 8th and Walnut in Rogers which has been empty for quite some time. Jim McCarthy stated that they need to consider the election workers who have to drive to the Election Commission office twice on Election Day, and Bentonville is centrally located.

JP Moore stated that they should consider that the location provides access to the entire parking lot, and it can be easily located by the poll workers. JP Stephenson asked what the cost would be to adapt the building to the Election Commission's needs. Travis Harp stated that they only need to make some modifications to the electrical plugs in order to be able to recharge the iVotronic voting machines. JP Hobbs asked if the budget can handle the rent. Richard McComas stated that there is enough money in the Election Commission's budget to cover the remainder of the year, and they will include the costs in the 2008 Budget. JP Hobbs stated that if something else can be found for a lower cost, they should look at it.

Motion passed 5 for, 1 against. (Hobbs)

5. Planning Department Fees – Planning Director Ashley Pope

Planning Director Ashley Pope stated that Planning Department revenue covered 90% of their operating costs last year, but was less than anticipated. She said she is not proposing an increase in all fees, but changing to a valuation method of calculating fees which is more commonly used in other jurisdictions, and is the method recommended by the International Building Code Council. She proposed several new fees including a Technology Fee to offset the cost of a software program to track the permit process, a Demolition Fee to ensure that the waste is properly disposed of, and a Completion of Structure Bond, because they have had problems with people moving into structures before the final Certificate of Occupancy is issued. The committee discussed how the value of a structure can be determined before it is built, and a proposed Penalty Fee of

\$500 per day. JP Hobbs asked what value the citizens of Benton County are getting in return for the cost of the inspections and permits. Ashley Pope stated that their health and safety are being ensured. The committee discussed the number of inspectors on staff and how many inspections they average per month. JP Stephenson asked if it is possible to determine the magic number of inspectors needed to handle the number of inspections that will be performed by the county. Ashley Pope stated that it varies, but the inspectors on staff are staying busy, and the number of inspections is only down about 10% from last year.

JP Hubbard stated that Benton County is charging more than the smaller cities within the county. He noted that the county's fees are close to the larger cities of Rogers, Bentonville, and Springdale, but they are probably charging a little bit more to help with their infrastructure costs. Ashley Pope stated that they had averaged the fees of 52 cities across the state of Arkansas. JP Hubbard stated that we should not be comparing our fees to cities because we are a county. Ashley Pope stated that she could get averages of other counties outside the state of Arkansas. JP Hubbard stated they do not need to go outside the state because it is not relevant unless they are using it as an excuse to charge more money, and he would rather see the average of all the cities in the county.

Richard McComas stated that in 2006 revenue was \$247,000 and expenses were \$260,000, and they projected \$200,000 in revenue for 2007, which would leave a shortfall of approximately \$80,000. JP Summers stated that the income of the department is not that far off the projections, and although they do need to come closer to being self-funded, he feels it is premature to be talking about either raising fees or laying off personnel. JP Stephenson requested the average of cities in Benton County.

JP Glass questioned charging \$100 per day for a Demolition Fee. Ashley Pope stated that since the Environmental Department is responsible for making sure the waste is properly disposed of, the fee will cover the cost of the Enforcement Officers going out to check on the site. JP Glass stated the Planning Department should not be collecting fees to cover the costs of other departments. Ashley Pope stated that it all goes into the General Fund and will be tracked by the Treasurer's Office.

JP Glass questioned the certification of the inspectors. Ashley Pope stated that all of the inspectors are in the process of gaining state certifications. The committee discussed how many inspections are required on a typical family home, and requested information showing everything that is included in the permit fee, the average of permit fees among all of the cities in Benton County, an explanation of the meter inspection fee, and the investigative fee. Ashley Pope agreed to provide the information at the next Finance Committee meeting.

6. Mid-year Numbers -- Richard McComas

Richard McComas stated that the Prosecuting Attorney's landlord has requested an increase in rent from \$4,000 to \$4,800 per month, which is a 20% increase, effective September 1. He said the Prosecuting Attorney does need the space and they are not aware of anything else that is available. JP Stephenson stated that renovating and moving would cost more than the rent increase. JP Summers asked if the County Judge has tried to negotiate a longer lease with lower rent. County Judge Gary Black stated that he would look into it and report back to the Finance Committee.

The committee discussed budgeted revenue, what has been received through the first 6 months of 2007, the amount needed to make budget, and adjustments made so far this

year. Richard McComas stated that the Treasurer's and Collector's commissions were larger than expected, and they have reduced Jail Collections by \$200,000 because they are running about \$140,000 behind at this point. He said they have increased interest income because they do have more money invested at this time and interest rates have gone up. He said there have been two significant bonds forfeited to the county this year for a total of \$50,000, which will put them at \$85,000. He said the Road Fund will increase approximately \$247,000 due to property taxes. JP Glass stated that when the 2.2 mills for County Road were voted on, they were worried about a shortage in the fund, and now they have a surplus. Richard McComas stated that the full effect of the Bella Vista incorporation will not be seen until 2008, and they could not accurately project property tax revenue at the time the millage was increased.

JP Summers stated that they review the Budget Recapitulation every quarter, and that when they do the budget in November the final settlement collecting taxes is not done until January of the following year. He said that there are returned appropriations from various offices and departments every year, which is money that was budgeted but not spent. He said that they had anticipated the year-end 2006 Budget to be \$3.8 million, but there was nearly \$1 million in returned appropriations. He said that in the past they were spending 80% to 85% of the total budget, but now they are budgeting more accurately and spending 90% to 95%. He said that overall the mid-year report was better than expected because expenses were lower and revenue greater than anticipated, but that does not mean that the money is there to spend.

7. Sales Tax Numbers -- Richard McComas

Richard McComas stated that they broke even this month based on last year's numbers, with a .8% increase over this month last year if the Bella Vista dollars were added back in. JP Summers stated that sales tax is the most volatile tax of all and never tracks as it is expected to.

8. Jail Collections

Richard McComas stated that they are behind approximately \$120,000, but have received a couple of checks this month from the Department of Corrections which are helping them catch up.

9. Fuel Analysis/Monthly Expenditures

Michele Anderson stated that the Sheriff's Department is at 53%, County Jail is at 37%, and County Road is at 62% when comparing actual fuel expenditures to the amounts budgeted. She noted an additional report that was prepared which shows fuel usage broken down by department, and stated that it will be useful when they switch over to the new fueling system.

10. Monthly Expenditures

Michele Anderson stated that at this time of year, expenditures should be at 50%, and County General is at 48.93%, and County Road is at 49%. She noted that some areas will begin to increase due to budget adjustments that will not be made until the end of the year.

11. Mid-year Personnel Requests

Human Resources Director Barbara Ludwig presented requests for mid-year wage adjustments, re-grades, reorganizations, and additional staffing. She said some of the requests are due to internal equity issues within the departments, and some are due to wanting to hire someone at 90% of the hire-in range. She noted that the new Salary Administration Language will eliminate the need to come to the Quorum Court when someone is promoted within the county and they want to pay them at the same rate as an outside hire would receive.

JP Stephenson made motion to forward the proposed wage adjustments, re-grades and reorganizations to the July 10, 2007 Committee of 13 meeting, seconded by JP Hobbs. JP Wozniak asked what the total impact on the 2007 budget will be. Richard McComas stated that it will be approximately \$19,000. Motion passed by unanimous show of hands vote.

Barbara Ludwig stated that the Elected Officials and Department Heads made their requests for additional personnel to the Personnel Committee, which then ranked the positions according to need. She said in the past they have considered the personnel requested by commissioned account offices separately because the impact on the budget is only about 8% of the total cost.

JP Stephenson made motion to forward the request for 2 additional positions in the Collector's Office to the July 10, 2007 Committee of 13 Meeting, seconded by JP Moore. Motion passed by unanimous show of hands vote.

Barbara Ludwig stated there were 12 General Fund positions requested, and the positions receiving the top rankings were the Community Services Program Coordinator requested by the County Judge and the two Jail Nurse positions which are currently contract positions.

JP Summers stated that 2007 personnel costs are currently at 73% of the total budget, and they have historically tried to keep them at 70% of the budget, and they added a significant number of positions last year during the budget process.

JP Moore made motion to forward the request for approval of the Community Services Program Coordinator position and for converting the two Jail Nurse positions from contract to full time, seconded by JP Harrison. JP Hubbard stated that he does not feel like the taxpayers are getting much bang for their buck on the Community Services Program Coordinator, especially if all the participants are doing is washing equipment, and he worries about it becoming its own department—for instance will the coordinator eventually need an assistant, and if they are dealing with people convicted of crimes does the coordinator need to be deputized? JP Moore said the County Judge's Administrative Assistant is overwhelmed. JP Summers stated that if the program is successful, it will help relieve overcrowding at the County Jail. JP Stephenson asked if the participants could be charged a fee to help with the costs. County Judge Gary Black stated that the Circuit Court Judges assign defendants to the program, and it is up to them to charge any fines or fees. JP Hobbs asked if the position could be part time. County Judge Gary Black stated that there is no way it could be part time, that it is a full time job. JP Wozniak stated that the daily cost of one person participating in the program is less than it costs to house them in jail for one day, and they are performing tasks that have value, even if it is just washing equipment. County Judge Gary Black state that equipment that is well-taken care of lasts longer, and that is a value to the taxpayers. He added that they are working at the Recycling Center, and they have assigned some to various cities in the

county, which is also a benefit to the taxpayers. JP Glass asked if some of the additional fines that have been added to court costs recently could go toward the cost of this program. Sheriff Keith Ferguson was recognized, and spoke in favor of the program. He added that the Circuit Judges can impose fines, but it is very hard to collect them from people who are going to jail.

Motion passed, 4 votes for, 1 against. (Wozniak)

Barbara Ludwig asked if Sheriff Ferguson could speak again on the positions he requested, since he requested the next 5 positions in order of priority on the ranking sheet. Sheriff Ferguson stated that he needs the Sergeant – CID (Immigration/Gangs) because they are probably going to start the 287-G Program at the County Jail, and he will need a supervisor who will train with the Immigration Department. He said there will possibly be illegal immigrants housed and interviewed at the Jail, and each one will involve a documentation process of two to three hours.

Captain Hunter Petray stated that they requested 2 Sergeants for the booking area and that when they moved into the Jail in 1999, the inmate population was about 160 and the shift sergeants were able to perform all of their duties efficiently, which include processing the intakes and releases, and making sure that the inmates are being properly supervised. He said that the inmate population is now sometimes over 500, and they still only have one sergeant per shift. He said he believes they need one sergeant for the booking area and one for the pod area on each shift to reduce errors in booking. He said each release may take 30 to 40 minutes in order to correctly review the paperwork, and they sometimes process 40 inmates in a day. He said if there are any problems in the pod, such as fights or medical emergencies, the sergeant has to leave the booking area to attend to the jail. Sheriff Ferguson stated that he has information to share with the Quorum Court concerning the overcrowding and lack of supervision in the Jail, and they are welcome to come by any Friday evening and observe the burden the deputies are under.

12. Other Business

JP Summers noted that the Budget Process sheets are included in the packets, and that the Accounting Staff will spend hours meeting with Elected Officials and Department Heads in order to streamline the process. He urged the committee members to address any questions to Richard McComas, and stated that he and his staff do an excellent job. He also noted that a Summary of Loan Balances Report has been included in the packet.

JP Hobbs stated that she would like to address the fee that cities currently pay to the county for housing prisoners, because it has not been increased since 1990. JP Summers asked that the issue be placed on the July 10, 2007 Committee of 13 agenda for discussion.

7. Announcements

JP Summers announced that the next Finance Committee meeting will be Tuesday, August 7, 2007 at 2:30 p.m.

After motion and second the meeting adjourned at 3:38 p.m.